

**GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE**

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**LOK SABHA**

**UNSTARRED QUESTION NO.653**

**TO BE ANSWERED ON MONDAY, JULY 24, 2023/SRAVANA 2,1945(SAKA)**

**HIGH TAX ON AGRI-BASED PRODUCTS AND COMMON ITEMS ON GST**

**653. SHRI VIJAYAKUMAR ALIAS VIJAY VASANTH:**

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government has taken note that in the 48th Goods and Services Tax (GST) council meeting many of the agri based products and common man items attract high tax in GST regime like snack pellets (Pappad), etc.;
- (b) if so, the details thereof and the steps taken or likely to be taken by the Government to reduce the same to zero or five per cent;
- (c) whether the Government has received any representation in this regard to reduce the GST on these products;
- (d) if so, the details thereof; and
- (e) the action taken or proposed to be taken by the Government in this regard?

**ANSWER**

**MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI PANKAJ CHAUDHARY)**

**(a):** GST rates and exemptions are prescribed on the recommendation of the GST Council, which is a constitutional body comprising of representatives of States/UTs and Centre. In its 48th meeting, GST Council has not made any recommendation to increase GST rate on any agri based products and common man items. The recommendations of the Council were to issue clarification on the appropriate classification of snack pellets, manufactured through process of extrusion, (such as fryums) and Rab. The GST rate is as applicable to their respective tariff classification. Papad vide sl. no. 96 of notification no. 2/2017-Central Tax (rate) dated 28.06.2017, is already exempt from GST except when served for consumption.

**(b) to (e):** Certain representations were received for reducing the applicable GST rate on items like snack pellets and 'Rab'. Accordingly, the GST Council in its 49<sup>th</sup> meeting has recommended to reduce the GST rate on supply of 'Rab' to Nil (other than pre-packaged and labelled)/ 5% (pre-packaged and labelled), and to regularize the issue for past period on "as is" basis. Further, the GST Council in its 50<sup>th</sup> meeting has recommended to reduce the GST rate on supply of un-cooked/un-fried snack pellets manufactured through process of extrusion, by whatever name called, to 5% and to regularize the issue for past period on "as is" basis.

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